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| NGUYEN, TRAN N | | | | |
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

10/729,444

Applicant(s)

ANNAPPINDI, SURESH

Examiner

Tran Nguyen

Art Unit

3626

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 09/12/2006.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-28 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-28 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO/SF/ICE)
Paper No(s)/Mail Date 08/13/2004, 09/12/2006
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date _____
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____

DETAILED ACTION

Notice to Applicant

This communication is in response to the communication filed 09/12/2006.

Pending claim(s): 1-28.

Information Disclosure Statement

The information disclosure statement (IDS) submitted on 08/13/2004, 09/12/2006 is entered and considered by Examiner.

Claim Objections

Claim 10 objected to under 37 CFR 1.75(c), as being of improper dependent form for failing to further limit the subject matter of a previous claim. Applicant is required to cancel the claim(s), or amend the claim(s) to place the claim(s) in proper dependent form, or rewrite the claim(s) in independent form.

As per claim 10, this claim depends on claim 4 and recites "said plurality of offered unemployment insurance options"; however, parent claim 4 does not recite any insurance options.

For purposes of applying prior art, Examiner interprets claim 10 to depend on claim 9.

Additional clarification is requested.

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claim(s) 25-26 is/are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

As per claims 25-27, these claims recite a plurality of methods devoid of any steps.

The scope of the recited methods is not clear.

For purposes of applying prior art, Examiner interprets these methods to be nonfunctional descriptive materials at best.

Additional clarification is requested.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claim(s) 1-28 is/are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

As per claim 1, based on Supreme Court precedent and recent Federal Circuit decisions, the Office's guidance to examiners is that a § 101 process must (1) be tied to a machine or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. *In re Bilski et al*, 88 USPQ 2d 1385 CAFC (2008); *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780,787-88 (1876).

An example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps. Thus, to qualify as a statutory process, the claim should positively recite the particular machine to which it is tied, for example by identifying the apparatus that accomplishes the method steps, or positively recite the subject matter that is being transformed, for example by identifying the material that is being changed to a different state.

This claim recites a method comprising a plurality of steps, wherein none of the recited steps require the particulars of a statutory machine. Therefore, any structure capable of performing the recited functionally may be reasonably enveloped by the claim. As such, the claim fails the "machine" test.

Although the claim recites "calculating an unemployment risk score", this recitation amounts to mere data transformation at best, and does not amount to a physical transformation. As such, the claim fails the "transformation" test.

Because the claim fails both prongs of the "machine or transformation" test, this claim is found to be directed towards nonstatutory subject matter.

All claims dependent thereon, namely claims 2-10, fail to remedy these deficiencies, and are rejected for at least the same rationale above, and incorporated herein.

As per claims 11-28, these claims are rejected for at least the same rationale as applied to claims 1-10 above, and incorporated herein.

Additional clarification is requested.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

Claim(s) 11-15, 17-18, 20, 22, 24 is/are rejected under 35 U.S.C. 102(b) as being anticipated by Callen (6332125).

As per claim 11, Callen teaches a method (Abstract) capable of pricing unemployment insurance premiums commensurate with the associated unemployment risk (Figure 1-2), comprising:

- (a) determining the unemployment risk for a plurality of cells (reads on "homogenous risk segments") (Figure 2);
- (b) establishing basic and enhanced coverage for each employee cell (reads on "a range of insurance benefits levels") (Figure 5 label 314);
- (c) calculating the premium for each cell (Figure 5 label 324);
- (d) providing unemployment insurance (Figure 8A and throughout).

As per claim 12, Callen teaches using historical unemployment data to estimate the unemployment risk for each cell (Figure 1).

Insofar as the remainder of the claim is concerned, the applied art need not teach these limitations in view of the optional limitations recited therein.

As per claim 13, Callen teaches providing enhanced coverage up to the insured-selected limit (Figure 8L) (It is noted that the insured is considered to be an "employee").

As per claim 14, Callen teaches providing payments to unemployed persons who have not applied for state unemployment benefits (reads on "no existing insurance coverage") (column 9 line 60-64).

As per claim 15, Callen teaches providing payments to unemployed persons who have applied for state unemployment benefits (reads on "existing insurance coverage") (column 9 line 60-64).

As per claim 17, Callen teaches using underwriting data comprising stop loss percentage (reads on "loss amount and rates") to price the premium (column 8 line 16-23).

As per claim 18, Callen teaches:

(a) providing notice of duties of the insured after notice (reads on "eligibility guidelines") (Figure 8M);

(b) providing relevant information (reads on "proof") before providing payout (Figure 8M).

As per claim 20, Callen teaches providing document from the employer (Figure 8M).

As per claim 22, Callen teaches reducing adverse selection and keeping the product profitable (reads on "profit margin") (column 1 line 49-53).

As per claim 24, Callen teaches a grace period (reads on "waiting period") (Figure 8O).

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

Claim(s) 1-8 is/are rejected under 35 U.S.C. 103(a) as being unpatentable over Guiso (An Empirical Analysis of Earnings and Employment Risk).

As per claim 1, Guiso teaches a method (page 241 column 2 paragraph 4) capable of estimating the probability of unemployment for an individual (reads on "scoring") (page 243 paragraph 1 Section 3 Equation 1), comprising:

(a) calculating the effect of the individual's age, sex, education, etc. (reads on "personal data") on employment (page 250 Table 5);

(b) collecting employment and unemployment data regarding the North and South regions of the country (reads on "national") (page 250 Table 5, page 246 Table 2);

(c) calculating the probability of unemployment for the individual based on the data collected in steps (a-b) above (page 250 Table 5 column 1).

While Guiso does not explicitly teach collecting personal data from a specific individual and calculating a risk score for the employee, Guiso does provide adequate disclosure of the various personal data characteristics' effect on the probability of unemployment (Page 250 Table 2 and throughout).

Therefore, at the time the invention was made, it would have been obvious to one of ordinary skill in the art to use the teachings of Guiso to determine the likelihood of unemployment for one or more individuals with the motivation of customizing the estimate to the given data from the one or more individuals.

Guiso explicitly teaches that the provided data may be used to predict the probability of unemployment, wherein such manipulations are simple and well within the level of ordinary skill in the art (page 251 paragraph 1 Section 8 paragraph 1).

As per the set of claim(s): 2, this set of claim is rejected for substantially the same rationale as applied to the rejection of the set of claim(s): 1, respectively, and incorporated herein.

Insofar as the remainder of the claim is concerned, the applied art need not teach these limitations in view of the optional limitations recited therein.

As per claim 3, Guiso teaches historical employment and unemployment data for 1995 (reads on "historical") (page 246 Table 2).

Insofar as the remainder of the claim is concerned, the applied art need not teach these limitations in view of the optional limitations recited therein.

As per claim 4, Guiso teaches dividing the population into a plurality of segments (page 246 Table 2).

As per claim 5, Guiso teaches age (page 246 Table 2).

Insofar as the remainder of the claim is concerned, the applied art need not teach these limitations in view of the optional limitations recited therein.

As per claim 6, Guiso teaches that the probability of unemployment is capable of suggesting state dependency or heterogeneity in employment status (page 246 column 1 paragraph 2 to column 2 paragraph 1).

Examiner submits that using the probability of unemployment to predict employment status is a form of "employment security score".

As per claim 7, Guiso teaches segmenting the sample into long-term unemployed and non-long-term unemployed (page 252 column 1 Appendix C paragraph 1).

Guiso further teaches that individuals with high probability for unemployment may not necessarily reflect worsening employment aspects. In particular, Guiso teaches pregnant women or men facing military deployment as temporary exit and not dismissal or inability to find a job (page 245 column 1 paragraph 1).

Guiso does not explicitly teach determining short term or long term unemployment based on expected job changes; however, at the time the invention was made, it would have been obvious to one of ordinary skill in the art to determine if the individual actually has worsening job prospects or if the individual is simply facing a temporary exit within the embodiment of Guiso with the motivation of accurately predicting the unemployment risk for the individual's expected job changes (page 245 column 1 paragraph 1).

Insofar as the remainder of the claim is concerned, the applied art need not teach these limitations in view of the optional limitations recited therein.

As per claim 8, Guiso teaches the 1995 Survey of Household Income and Wealth (reads on "other economic data") (page 241 Abstract).

Claim(s) 9 is/are rejected under 35 U.S.C. 103(a) as being unpatentable over Guiso as applied to parent claim 4 above, and further in view of Callen.

As per claim 9, Guiso teaches using income risk to obtain insurance (page 241 column 1 paragraph 3).

Guiso does not explicitly teach providing "different unemployment insurance options".

Callen teaches providing unemployment insurance (Abstract) based on a particular technique to categorize risk (Figure 1-2).

All component parts are known. The only difference is the combination of "old elements" into a single embodiment.

At the time the invention was made, it would have been obvious to one of ordinary skill in the art to include the teachings of Guiso within the embodiment of Callen, since the operation of predicting the unemployment is in no way dependent on the unemployment insurance, and a standard technique to estimate the insurable risk may be used with an insurance policy to achieve the predictable result of providing insurance therefor.

Claim(s) 10 is/are rejected under 35 U.S.C. 103(a) as being unpatentable over Guiso in view of Callen as applied to parent claim 9 above, and further and Official Notice.

As per 10, Guiso does not teach "a monthly premium".

Callen teaches an annual premium (column 8 line 31-32).

The combination of Guiso and Callen, as applied in the rejection of claim 9 above and incorporated herein, suggest determining an annual premium.

Official Notice is taken that paying monthly insurance premiums is old and well established in the art of insurance administration.

At the time the invention was made, it would have been obvious to one of ordinary skill in the art to include the teachings of the Official Notice within the embodiment of Guiso and Callen with the motivation of providing affordability for the insured.

Claim(s) 16 is/are rejected under 35 U.S.C. 103(a) as being anticipated by Callen in view of Applicant Admitted Prior Art (AAPA).

As per claim 16, Callen teaches that the employer pays the premium (column 8 line 31-32).

Callen does not teach that the employee pays the premium.

AAPA teaches that at least 3 states require employee contributions to the premium (page 2 paragraph 5 of specification).

At the time the invention was made, it would have been obvious to one of ordinary skill in the art to include the teachings of AAPA within the embodiment of Callen with the motivation of providing employees with customizable levels of coverage and to alleviate employer and government contributions to save cost.

Claim(s) 19, 21, 23, 25-26 is/are rejected under 35 U.S.C. 103(a) as being anticipated by Callen in view of Official Notice.

As per claim 19, Callen does not teach a renewal discount.

Official Notice is taken that providing a renewal discount is old and well established in the art of insurance.

At the time the invention was made, it would have been obvious to one of ordinary skill in the art to include the teachings of the Official Notice within the embodiment of Callen with the motivation of maintaining customer loyalty.

As per claim 21, Callen does not teach good customer discounts.

Official Notice is taken that providing discounts to customers who pay timely and do not file claims is old and well known in the art of insurance.

At the time the invention was made, it would have been obvious to one of ordinary skill in the art to include the teachings of the Official Notice within the embodiment of Callen with the motivation of encouraging customers to pay on time and stay employed as to not trigger a claim payout.

As per claim 23, Callen teaches determining involuntary unemployment rate (Figure 1-2), adverse selection risk (column 4 line 33-45).

Callen does not teach "moral hazard risk".

Official Notice is taken that moral hazard risks are well known in the art of insurance.

At the time the invention was made, it would have been obvious to one of ordinary skill in the art to include the teachings of the Official Notice within the embodiment of Callen with the motivation of accurately predicting the payout risk.

Callen further teaches terms (Figure 8A-U), benefit levels (Figure 8A-U), premiums as discussed above and incorporated herein, and terms of the contract (Figure 8A-U) for the groups of employees based on mathematical modeling (Figure 1-2).

Insofar as the remainder of the claim is concerned, the applied art need not teach these limitations in view of the optional limitations recited therein.

As per claims 25-26, the recited methods do not distinguish the claimed invention from the prior art because the only difference between the recited methods and the prior art is the nonfunctional descriptive labels attributed to the recited methods.

Absent any positive recitation, any data would be *prima facie* obvious of the claimed data because the claimed data imparts no functionality on the claimed method.

Additional guidance is available at: <http://www.uspto.gov/web/menu/pbmethod/>

As such, the recited methods are *prima facie* obvious of the methods of Callen.

Additionally, Official Notice is taken that all recited methods are old and well established in the art of insurance.

All component parts are known. The only difference is the combination of "old elements" into a single embodiment.

At the time the invention was made, it would have been obvious to one of ordinary skill in the art to include the teachings of the Official Notice within the embodiment of Callen, the recited methods do not depend on parent claim 11, and therefore cannot yield any more than predictable results within the level of ordinary skill in the art.

Claim(s) 27 is/are rejected under 35 U.S.C. 103(a) as being anticipated by Callen in view of Guiso.

As per claim 27, Callen teaches a method capable of providing unemployment insurance (reads on "solutions" limitations") (Abstract), comprising:

(a) determining unemployment risk (reads on "employment security") (Figure 1), aberrant risk (reads on "short term") (Figure 1), catastrophic risk (reads on "long term") (Figure 1) based on employee data (Figure 1-2), catastrophic risk (reads on "macroeconomic") (Figure 1), and risks from a plurality of companies (Figure 2).

Callen does not teach "national unemployment data".

Guiso teaches collecting employment and unemployment data regarding the North and South regions of the country (reads on "national") (page 250 Table 5, page 246 Table 2).

At the time the invention was made, it would have been obvious to one of ordinary skill in the art to include the teachings of Guiso within the embodiment of Callen with the motivation of accurately predicting unemployment risk.

Callen further teaches:

(b) determining the premium based on computer (Abstract).

Insofar as the remainder of the claim is concerned, the applied art need not teach these limitations in view of the optional limitations recited therein.

Callen further teaches:

(c) providing base or enhanced coverage (Figure 4 label 314);

(d) providing payments to unemployed persons regardless of state unemployment benefits (reads on "no existing insurance coverage") (column 9 line 60-64);

(e) calculating the premium based on employee data and employer data (Figure 8A-U).

Insofar as the remainder of the claim is concerned, the applied art need not teach these limitations in view of the optional limitations recited therein.

Callen further teaches:

(f) adjusting the policy based on state benefits (column 9 line 60-64).

Insofar as the remainder of the claim is concerned, the applied art need not teach these limitations in view of the optional limitations recited therein.

Callen further teaches:

(g) calculating an annual premium (column 8 line 32-33).

Insofar as the remainder of the claim is concerned, the applied art need not teach these limitations in view of the optional limitations recited therein.

Callen further teaches:

(h) providing base or enhanced levels based on state benefits, as discussed above and incorporated herein;

(i) collecting annual premiums (reads on "premium collection methods") (column 8 line 32-33).

Insofar as the remainder of the claim is concerned, the applied art need not teach these limitations in view of the optional limitations recited therein.

Claim(s) 28 is/are rejected under 35 U.S.C. 103(a) as being anticipated by Callen in view of Guiso as applied to parent claim 27 above, and further in view of Official Notice.

As per the set of claim(s): 28, this set of claim is rejected for substantially the same rationale as applied to the rejection of the set of claim(s): 19, respectively, and incorporated herein.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Tran (Ken) N. Nguyen whose telephone number is 571-270-1310. The examiner can normally be reached on Monday - Friday, 9:00 am - 5:00 pm Eastern.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, C. Luke Gilligan can be reached on 571-272-6770. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/T. N./
Examiner, Art Unit 3626
03/02/2009

/Robert Morgan/
Primary Examiner, Art Unit 3626